



November 19, 2008

Solid Waste Advisory Commission
Commissioner and Chair Gerry Acuna
Commissioner and Co-Chair Rick Cofer
Commissioners J.D. Porter, Jason Pittman,
Tracy Sosa and Maydelle Fason

Re: Zero Waste Strategic Plan as Proposed

Honorable Commissioners:

I am Kerry Getter, CEO of Balcones Resources Companies and I appreciate the opportunity to address this important matter. Balcones has been in the resource transformation business in this market for fifteen plus years, is the largest, and independently owned recycling company in the region. Balcones is a locally-owned and managed company headquartered in Austin. Operating facilities are located in Austin, Dallas and Little Rock. Our primary business is commercial recycling, manufacturing alternative fuels, and corporate sustainability consulting and product/document destruction. We have built our business helping our customers manage sustainable waste management programs, recycling all we can, recovering resources wherever possible and diverting as much waste as possible from area landfills. Balcones has been embraced by the region as an environmental leader and we pride ourselves on our community involvement. Our business model is to simply find the highest and best use for all the materials we touch. We have invested significantly in our own technologies to accomplish this goal, and have become somewhat expert in the field of doing just that, as evidenced by our fuel patents and innovative recycling programs. We work with fortune 500 companies, providing solutions to assist them reach environmental goals of becoming land-fill free. We are in the resource recovery business and understand well the higher, better opportunities that exist for creating clean alternative fuels, such as ethanol, from a significant percentage of our waste that would otherwise end up in area landfills. Our "brand" is "Simply More Resourceful" and I am proud to say that we live this commitment everyday.

We oppose the Zero Waste Strategic Plan (the "Plan") as prepared by consultants Gary Liss Associates ("GLA"). While we appreciate being recognized in the Plan as a "Zero Waste Business" and we support the goals of improving the

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business of waste management in this region and extending the capacity life of our current landfill space, we believe there are many areas in which the Plan as proposed by GLA are problematic and incomplete. I am here to go on record with our position that this plan should not be approved for adoption by this commission or City Council in its current form.

Our over-riding concerns are that the Plan's creators have not taken full stock of the differences between Texas and the West Coast; the Plan does not reflect accurate regional industry information available today, nor does it fully embrace the reality of private companies, such as Balcones, TDS and others who are working every day to address waste management issues for their customers.

While this Plan is full of ideas, applicable or not, it's very short on the details of how it will be implemented. I am frankly concerned with the Plan's overtones for more regulation to accomplish Zero Waste and revenue generation goals, and, in addition to my comments below, would refer this Commission back to comments shared by our colleagues related to the franchise issue at your September 10th meeting. The following points highlight our concerns, but should not be considered exhaustive:

- Texas is not California. During the presentations and development of the Zero Waste Plan by GLA, many examples were given detailing successful recycling and waste diversion programs implemented by and for small businesses. In nearly every instance, the examples given were from cities in California, which are not applicable in many ways. It is important to recognize the political, economic, and legal differences between California and Texas with regard to the management of solid waste. In California, there is state legislation that mandates the development and delivery of services, with mechanisms included to provide funding. This makes it more feasible for very small businesses to obtain services at little or not cost. While this situation does not diminish the cost of providing the service, available state funding does make the services more accessible as compared to a market like Texas where the business case has to work because of funding that is provided from sources other than fees paid by the entity receiving the service. Texas does not share this legislative or political landscape and these differences need to be fully understood as part of the long term, strategic planning process.

Further, the proximity to the Pacific Rim creates market situations that are under-developed or non-existent in Central Texas. Whenever material needs to be shipped great distances to end-users, the cost of the material increases, and the use of virgin material, as opposed to post-consumer material, may be more attractive from an economic standpoint. This stifles/challenges market development for the use of post-consumer material.

- Operational and Economic Issues Related to Expanding the Commercial and Multi-Family Recycling Ordinance Not Addressed. The Plan proposes providing services to developments smaller than the current ordinance requires. When the original Commercial/Multi-Family Recycling Ordinance was developed and enacted, the 100-unit or 100-employee threshold was proposed because that was the level of participation necessary to make delivery of services cost-efficient and affordable. If anything, the cost of providing services has increased in the past ten year, due to cost increases in goods and services and, importantly, fuel.

If the threshold of 100 units or employees is lowered as proposed, there are several operational issues that need to be addressed for the program to be successful and the goals attained. For example, who will be responsible for ensuring that service is obtained - the customer or the service provider? If the business decides not to subscribe due to cost, is it the responsibility of the service provider to ensure that the business subscribes, and is the business required to subscribe regardless of cost? There has also been very little enforcement of the current ordinance since its enactment in 1998. It is ~~not~~ ^{not} prudent to engage the non-compliant businesses and multi-family developments subject to the ordinance, before heading off in another direction, and expanding an ordinance that is not currently enforced?

We participated in the recent task force commissioned to review the commercial and multi-family recycling ordinance. The Commercial and Multi-family Recycling Task Force addressed this issue spot on and deliberated heavily over the economic and operational realities of enforcement and participation at the 100 threshold. The work product, analysis and formal recommendations of this Task Force, comprised of regional experts, leaders of these industry participants, have not been taken into consideration in this GLA Plan. Instead, the Plan makes assumptions that demonstrate its creator's lack of understanding of this operating in this market.

- Regional Industry Information Not Complete. The Plan does not accurately depict the abilities or current market participants and, in fact, the outline of service providers currently in place in the region (Appendix B) is incomplete and not accurate. Balcones, for example, does much more than process paper, and yet, according to this report, our work to recover aluminum and plastics is not represented.
- Volatile Commodity Market not Addressed. The economic realities of the commodities that drive a significant portion of profit have not been discussed

nor projected in this Plan. Without a clear understanding of this, no business case can be made, public or private.

- Sustainable Solution Not Clear in the Plan. It is also our opinion, and we are confident the economics bear this to be true, that the economically and environmentally sustainable solution will be best achieved through heavy reliance on those regional providers already servicing and invested in this community.
- Resource Recovery Technology Out of Date. Appendix H has “Waste-Based Energy” as the lowest/worse use. Our technological and market knowledge of resource recovery for energy is counter to that assessment. We are in this business today and understand the real opportunities and challenges of diverting certain elements of otherwise landfill-destined waste stream to be processed as fuel. We know that with the right industry participants, the City of Austin could be manufacturing transportation grade ethanol through diversion of materials headed to the landfill, thereby accomplishing Zero Waste and Climate Protection goals.
- Public/Private Partnerships and the Role for the City of Austin. The fastest, cheapest way to achieve the various environmental, economic and public health, safety and welfare goals is not to through more regulation or any governmental attempt to re-invent the wheel. Rather, it is through empowering regional providers to do more of the job they are already doing, through creating public/private partnerships to effect current regulations and bring the required assets together in this challenging economic time. We also must be mindful of the recent Greenstar/Vista contract process, controversy over area landfill expansion contract issues (BFI), as well as this Commission’s call for a performance and expenditure audit of the very department that would implement this Plan. These are examples, in our opinion, of premature decision-making and encourage this commission, and the City Council, and all involved to move with extreme caution and to be certain that any strategic plan be based on verifiable, current information, both in economic and operational terms.

In closing, this region is well-served by companies like Balcones, TDS, and others who are truly without peer in the industry. It is my hope and my respectful request that this Commission direct the Plan’s creators complete and update their research and to come back with a Plan that protects current capacity, specifically recommends enforcement of existing waste hauling ordinances (along with estimated revenues to be generated), recognize waste as the resource it is. In doing so, in our opinion, the economic and environmental sustainability goals of City of Austin are well within reach.

I respectfully request SWAC through resolution advise the City Council not approve the Zero Waste Plan in its current form, and to direct GLA to work with regional industry members to participate in completing and finalizing the Plan.

Respectfully Yours,

A handwritten signature in blue ink, appearing to read 'Kerry Getter', with a stylized flourish at the end.

Kerry Getter, CEO